



# **Cotton Market Assessment and Baseline Study for Zimbabwe**

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## EXECUTIVE SUMMARY

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### **i. Scope and objectives of the Study**

The purpose of the market analysis currently being undertaken of the cotton sector in Zimbabwe, is to identify actions and areas of development that could be used to enhance the regional trade in cotton, textile and garments, where this is shown to be beneficial to the countries / regions concerned.

This value chain analysis has been compiled from interviews and review of reports and documentation available on the cotton sector in Zimbabwe. Summaries of the interviews undertaken and the information obtained is contained in the appendixes to this report.

### **ii. Background & Production Issues**

Commercial cotton production commenced in Zimbabwe in the early years of the 20<sup>th</sup> Century. In the 1960's, the introduction of the Albar variety of cotton coupled with the introduction of DDT and other insecticides firmly established Zimbabwe as a major producer of cotton in the region.

From 1960 to 1980 commercial farmers produced the bulk of the cotton crop. With the advent of Independence in 1980 efforts were made to increase small grower output. Currently, 80% of the cotton crop is produced by small-holder farmers.

Crop quality is regarded as high, due to the level to which contamination, picking and storage issues have been addressed. The crop has a low level of contaminants and damage and the resulting product is of a quality that is usable for ginning and further production without incurring further cleaning costs.

Since 1998 there has been major disruption to farming caused by the economic situation pertaining in Zimbabwe, the irregular rains and the land redistribution exercise undertaken by the government.

### **iii. Overview of the processing industry**

The textiles and garment industries in Zimbabwe are among the most established in the region, some having been in existence since the early 1930's. During the UDI era, a vertically integrated industry was created to try and offset the effects of sanctions. This development resulted in a strong industry serving both the local and export markets.

The structure of the processing industry has changed significantly over the past twenty years. During the sanctions period of the 1970's the industry relied heavily on locally produced lint to spin, weave and manufacture into garments. This continued into the initial period of independence in the 1980's, but changed during the early 1990's when the economy was liberalised. The key changes in the industry have been the move to export a high percentage of raw lint, yarns and fabrics directly and to import increased amounts of fabric for manufacture of garments for both the local and export markets.

#### **iv. Marketing**

The Cotton Marketing Board was de-regulated in 1994 resulting in the establishment of The Cotton Company Of Zimbabwe (Cottco) in 1995. Prior to the de-regulation all cotton in Zimbabwe had to be marketed through the Cotton Marketing Board (CMB). Cotton may now be marketed through private sector organisations and this has given rise to a number of traders in this sector.

Seventy percent of all lint produced in the country is exported, through the formal and informal sectors, with the balance being sold to local spinners and weavers. All seed is sold locally to oil expressors for the production of vegetable oils and animal feeds. There is currently a shortage of seed for manufacture of vegetable oils and as a result there are no exports.

Monitoring of the informal sector exports of cotton is difficult as these are not tracked through the customs systems. The informal export of cotton happens through the borders into Mozambique and South Africa.

#### **v. The key concerns of the industry**

- Continued cotton production. With the drought cycles currently being experienced and the disruption to commercial farming as a result of the land redistribution exercise the supply of cotton has been affected. The crop size has varied over the past four years and this has affected output of the textile manufacturers.
- The almost complete change from commercial to small scale and communal farmer production of the cotton crop has raised challenges that will need to be addressed. Most of these surround agronomy support for the growing of the crop and for extension of the inputs / outgrower schemes to cover all of these areas.
- The current political and economic instability in the country have affected investment into the processing side of the industry, with more than 40% of garment manufacturers closing and most textile manufacturers scaling down their operations. This has led to lowering of efficiencies, increased quality problems and increased cost of production per unit.
- The current foreign currency shortages have led to problems sourcing inputs for the cotton crop, inputs for machinery maintenance in the processing side of the industry and problems sourcing additional fabric for the garment manufacturing sector.
- The current perception of Zimbabwe as unstable and therefore not a suitable supplier of long term produce has affected export orders.

## 1.0 INTRODUCTION

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### 1.1 Background

Commercial cotton production commenced in Zimbabwe in the early years of the 20<sup>th</sup> Century. Seed was distributed to farmers and prices offered by the Empire Cotton Growing Corporation (ECGC). However, this did little to stimulate production. In 1924 the Cotton Research Station was established in Kadoma and based on their findings Bancroft, an American, variety was found suitable for local cultivation. At about the same time an upsurge in the demand for cotton and higher prices resulted in a rapid expansion on the industry. Ginneries were established in Harare and bumper crops and premium prices resulted in a cotton boom. Regrettably, the boom was short lived as a result of an infestation of the crop by Jassids - an insect that attacks cotton. The late 1920's saw the introduction by the Cotton Research Station of a Jassid resistant variety of cotton known as U4 which saved the industry from collapse. However, it was the introduction of DDT and other insecticides and a new cotton variety Albar (originally grown in Nigeria but imported from the ECGC in Uganda) in the 1960's that firmly established Zimbabwe as a major producer of cotton in the region.

The textiles and garment industries in Zimbabwe are among the most established in the region, some having been in existence since the early 1930's. During the period of sanctions against the Rhodesia Front Government a vertically integrated industry was created to try and offset the effects of sanctions. The result has been the development of a strong industry that has subsequently fed both the local and export markets, establishing a name for Zimbabwe as a quality producer of garments and textiles.

### 1.2 Overview of the industry

The period 1960 to 1980 saw commercial farmers produce the majority of the cotton crop. With the advent of Independence in 1980 efforts were made to increase small grower output and over the next ten years a shift has taken place away from a predominantly commercial farmer grown crop to a predominantly small-holder grown crop. The success of this has been largely due to the out-grower schemes introduced by the Cotton Company of Zimbabwe. Details of this scheme are included in this report. Currently 80% of the cotton crop is produced by small-holder farmers.

The Cotton Marketing Board was de-regulated in 1994 resulting in the establishment of The Cotton Company Of Zimbabwe (Cottco) in 1995. Prior to the de-regulation all cotton in Zimbabwe had to be marketed through the CMB. Up until the privatisation of the CMB accurate production figures along with other statistics were readily available, as there was only one body involved in the marketing and export of the crop. However, certain of these statistics gave a distorted picture of the market as prices paid to the producer were subsidised by Government resulting in an artificially high price being paid. The last detailed figures for Zimbabwean production etc are contained in the World Bank Report of 1993.

Cottco's main competitors are Cargill and Romsdal. Cottco has nine Ginneries (Kadoma, Sanyati, Bindura, Banket, Glendale, Muzarabani, Chinoyi, Gokwe and Mutare) making it the

biggest producer of Lint in Zimbabwe. Cargill has three (Chegutu, Shamva and Gweru) and Romsdal Investments, based in Triangle, one. Another player in the market with its own Ginnery is a Tanzanian company, Cabview Trading, which operates out of a factory in Willowvale. Flemmings Cotton Ginnery also operates in Bluffhill but is very small with a limited capacity. Romsdal, Cabview and Flemming operate on a toll-ginning basis. Toll-ginning has only recently become an option for growers. All the ginning companies now offer this service, which allows the farmer to export his lint and seed direct and realise foreign currency and possible higher returns since he is now taking on the risk of marketing his own crop. However, with this system the farmer no longer has the 'cushion' of the established marketing company behind him and stands to lose money should international market prices fall. The farmer is aware of the risks involved and has the choice of whichever system suits him best. The cotton lint is then sold to spinners for processing into yarn and the ginned cotton seed passes to expresser mills where the oil is extracted. Other players in the industry are FSI Agricom Holdings (Pvt) Ltd who, whilst very aggressive, do not own their own Ginnery. There are also numerous transit depots around the country whose functions are simply to receive, grade and pay for the seed cotton then pass it on to an appropriate Ginnery for processing. Quton Seed Company, a wholly owned subsidiary of Cottco, is the only source of cotton seed.

There are now, as a result of Government's Land Reform Programme, only 12 Commercial Farmers growing cotton. Prior to the land reform Commercial Agriculture had 350 farmers producing 25% of all cotton, and as the Land Reform Programme accelerated this was reduced to only 7% in 2002. For 2003 it has been reduced to less than 1% of the total cotton production with 12 farmers. It is anticipated, however, that "The New Farmers" could do well in the production of cotton, as it is not a crop that needs a high degree of technical input, is labour intensive and does not need expert knowledge to produce acceptable yields. Cottco provided input credits to over 74,000 growers throughout the country during the 1999/2000 planting season. This included seed, fertiliser, chemicals and finance, all at below market rates.

Cotton Seed is sold to Olivine, United Refineries, Agrifoods and is also exported to South African oil expressers. Whilst Cottco has shares in Seedco that company does not sell cotton seed.

The structure of the processing industry has changed significantly over the past twenty years. During the sanctions period of the 1970's the industry relied heavily on locally produced lint to spin, weave and manufacture into garments. This continued into the initial period of independence in the 1980's, but changed during the early 1990's when the economy was liberalised. The key changes in the industry have been the move to export a high percentage of raw lint, yarns and fabrics directly and to import increased amounts of fabric for manufacture of garments for both the local and export markets. An increasing mismatch has occurred of the production of yarns and fabrics and the consumption of these locally. The main reasons for this mismatch have been increased demand for polyester and polyester mix garments for export and local consumption. Zimbabwe's fabric production is purely cotton and cotton mix, which is in demand for export, but only in so far as drill and denim fabrics are concerned.

### 1.3 Exports and Imports

The following data reflects the latest available statistics on Zimbabwe's exports and imports of cotton, textiles and garments.

#### Exports

Period	Cotton		Clothing	Yarns and Threads		Fabrics		Rug and Blankets
	Tonnes	Z\$'000	Z\$'000	Tonnes	Z\$'000	(000) M <sup>2</sup>	Z\$'000	Z\$'000
1998	78 209	187 430	171 990	5 112	345 806	25 190	444 874	18 994
1999	79 839	3 920 859	200 210	5 375	548 396	12 745	492 610	85 654
2000	127 598	6 924 665	564 162	6 435	607 538	6 606	712 947	67 575
2001 (up to June)	37 950	2 470 092	10 238	242	34 264	213	41 475	13 306

Source: CSO

#### Imports

Period	Yarns and Threads	Textile piece goods	Bags and Sacks	Clothing
1998	264 139	1 385 441	147 883	216 968
1999	379 219	1 933 578	121 167	198 175
2000	375 422	1 978 392	197 087	289 055
2001 (up to June)	131 875	765 991	62 108	150 548

Source: CSO

More detailed trade data is available for 2000 covering imports and exports with SADC for the relevant product groups;

#### ZIMBABWE TRADE FLOWS WITH SADC & THE WORLD BY HS CHAPTER 2000, Z\$

HS		TOTAL IMPORTS CIF
52	COTTON SADC	221,496,268
54	MAN-MADE FILAMENTS SADC	142,224,716
55	MAN-MADE STAPLE FIBRES SADC	149,808,823
56	WADDING, FELT & NONWOVEN; YARNS; TWINE, CORDAGE, ETC SADC	85,935,516

57	CARPETS AND OTHER TEXTILE FLOOR COVERINGS	SADC	121,550,700
58	SPECIAL WOVEN FAB; TUFTED TEX FAB; LACE; TAPESTRIES ETC	SADC	56,105,625
59	IMPREGNATED, COATED, COVER/LAMINATED TEXTILE FABRIC ETC	SADC	115,053,533
60	KNITTED OR CROCHETED FABRICS	SADC	49,771,250
61	ART OF APPAREL & CLOTHING ACCESS, KNITTED OR CROCHETED	SADC	65,747,109
62	ART OF APPAREL & CLOTHING ACCESS, NOT KNITTED/CROCHETED	SADC	47,750,449
63	OTHER MADE UP TEXTILE ARTICLES; SETS; WORN CLOTHING ETC	SADC	220,315,342



## **1.4 Regional Integration**

Zimbabwe is party to a number of Regional Integration agreements and trading blocks.

Bilateral agreements are:

- Zimbabwe / Malawi Bilateral agreement
- Zimbabwe / Botswana Bilateral Agreement
- Zimbabwe / Namibia Bilateral Agreement
- Zimbabwe / South Africa Trade Agreement

### **Multilateral**

- SADC
- COMESA

Use of these regional integration groupings and agreements has been mixed and, in so far as the textiles and garment manufacturing industry is concerned, the most important agreements have been those that have included South Africa. South Africa has been the traditional destination for export of fabrics, yarns and garments regionally. Trade in lint, yarns, textiles and garments to other countries has been limited. Malawi has been the second largest importer of fabrics and yarns from Zimbabwe in the region.

## **2.0 SUPPLY AND DEMAND ANALYSIS**

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### **2.1 Growers**

Large scale cotton growing has been restricted to the Highveld areas of Zimbabwe with the main growing areas being Central, Northern and Eastern Mashonaland. Small scale cotton growing is throughout communal and resettlement areas of the country, with large development projects in the Gokwe, Gwanda and Kesi areas, where Cottco has concentrated its efforts in developing its outgrower schemes. These outgrower schemes have been highly effective in increasing crop production and have acted as one of the major projects in development of small holder farmers.

Zimbabwe produces Albar and Long Staple varieties of cotton, with the majority of the crop being Albar. Commercial farming has tended to utilise irrigation in crop production and the yields are higher as a result. Small holder farmers use dryland growing techniques and have, as a result, lower yields.

Pricing for the crop is set using the Liverpool Cotton Exchange prices, which are subject to constant variation. The crop is sold direct to independent Ginners or through COTTCO using the COTTCO ginneries. Transport is the responsibility of individual farmers, who are required to deliver their produce to the ginneries in order to sell it. The Cottco outgrower scheme does offer some assistance in this regard for small holder farmers but not in all areas of the country. Small scale farmers tend to use hired transport for their crop.

Current prices through Cottrade for exported lint are 51 US cents/lb A Grade, 50 US cents/lb B Grade, 49 US cents/lb C Grade and 40 US cents/lb for D Grade. Local lint prices are still to be determined but should be linked to the Liverpool A Index and the exporters' exchange rate. Currently local lint and seed sales are governed by price controls and a proposal has been made to government to have these removed. The proposed price for seed is Z\$140 000/tonne.

Crop quality is regarded as high, due to the level to which contamination, picking and storage issues have been addressed. The crop has a low level of contaminants and damage and the resulting product is of a quality that is able to be used in ginning and production without incurring further cleaning costs.

Since 1998 there has been major disruption to farming caused by the economic situation pertaining in Zimbabwe, the irregular rains and the land redistribution exercise undertaken by the government.

In 1997 there were 140 large scale cotton growers and 190,000 small scale growers producing 278,000 tonnes of raw cotton per annum. Production rose to 340,000 tonnes in 2000. The present situation is that there are 12 large scale growers and 204,000 small scale growers which produced 198,000 tonnes of raw cotton in 2002.

The main contributing factors to the reduced production have been the reduction in large scale commercial farmers, due to the land redistribution exercise, and the lack of seed, chemicals and fertilisers as a result of the current economic situation in Zimbabwe. Drought

has affected the crop size in 2002/2003 year but this is not the major contributing factor in the size of reduction of the crop.

### **Cotton Crop Production**

	<b><u>1997</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>
<b>Tonnes 000's</b>						
Large Scale	70.00	76.54	61.10	52.80	38.03	14.85
Small Scale	207.93	201.50	241.93	287.57	284.07	182.90
Total	277.93	278.04	303.03	340.37	322.10	197.75
<b>Value Z\$000's</b>						
Large Scale	420,000	682,700	870,600	902,800	844,200	683,100
Small Scale	1,247,600	1,797,300	3,447,200	4,917,000	6,305,800	8,413,400
Total	1,667,600	2,480,000	4,317,800	5,819,800	7,150,000	9,096,500

The effects of inflation can be seen on the value of the 2002 crop compared to that of 2000, where it has nearly doubled in Z\$ value but been reduced by about 40% by volume.

All current commercial growers hold lint contracts with Cottrade. Cottrade acts as an agent for them and facilitates the export of their lint with the proceeds being paid into their forex accounts. This is based on minimum price contracts in US cents per pound of lint signed at the beginning of the harvesting season. Total yields - average 2000 kgs/hectare. The average bale of seed cotton weighs 200 kgs therefore produces +/- 10 bales per hectare. All cotton produced is sold. Nothing is kept for own consumption.

Seventy percent of all lint produced in the country is exported, through the formal and informal sectors, with the balance being sold to local spinners and weavers. All seed is sold locally as there is a shortage. Monitoring of the informal sector exports is difficult as these are not tracked through the customs systems.

Future development in small and large scale cotton growing is uncertain, as the garment and textile industry is contracting and the unstable economic environment in Zimbabwe does not encourage investment into increased production capacity. This situation could change if the political and economic environment were to return to normality.

With the agronomic expertise and support systems available in Zimbabwe the country could produce a far larger crop and could provide much of the region's requirements, but this will require a stable economic and political situation, guaranteed inputs and greater incentives to invest in increased production capacity.

Full listing of all of the farmers concerned in growing of cotton has not been included due to the number of farmers involved and due to the fact that many of the small scale farmers have no formal addresses.

## **2.2 Key issues and constraints**

The main issues to be addressed at grower stage are:

- Reduced area of large scale commercial farming resulting in insecurity in the supply of seed locally and the lower crop output normally associated with this type of farming
- Erratic rains have reduced crop yields in a number of areas, particularly for the small scale farmers.
- Lack of expertise, training and grading ability - increased input will be required to bring the “new farmers” resettled onto previous large scale farms into any form of meaningful production. The “new farmers” are largely unskilled and have little or no farming experience, have not been given the necessary funding, equipment of crop inputs to plan and are therefore not productive at this stage. In addition tillage is not always available and moving cotton to collection points is difficult and expensive due to lack of transport and fuel costs.
- Lack of available foreign currency and working capital to small-scale farmers - as an example farm workers who were up until recently paid between \$6,000 and \$9,000 per month now expect between \$16,000 and \$21,000 per month. Whilst fertiliser is available, in limited quantities from Windmill at controlled government prices, because of short supply a thriving black market exists - Ammonium Nitrate from Windmill sells at \$3,000 for a 50kg bag controlled government price - the black market price is \$9,000. Insecticide prices differ between \$1,000 to \$3,000 depending on the source of supply. In addition to which, a further 90% could be added to the cost by “the middle-man”. A typical product used for the control of boll worm varies in price from one supplier to another e.g. Fenvelarate sells at Agricura at \$3,090 for 750ml, whereas the same product at Farm & City sells for \$5,380.
- Very few soil analysts available to the farmers. Most have left the country.
- Small-scale farmers do not have ginneries and consequently have to sell to Cottco and Cargill. However, Cottco does not help small-scale farmers producing less than 1 tonne per annum. In due course these farmers will probably be brought into the Cottco outgrower scheme, but this will take time as there is no infrastructure in place to reach or manage many of these farmers at this stage.
- The pricing of the crop will need to be reviewed, as the current system, with the distortion of exchange rates, gives a crop price that is not attractive in Zimbabwe Dollar terms.
- Government policy towards the development of agricultural output is unclear. If there is to be any real form of development in this area it is essential that Government put in place policies and support infrastructure that will encourage development. As an example Government offers no support to small-scale cotton growers, whereas \$7.5 billion in assistance has been made available to maize and groundnut producers.
- Cartels – At present legislation restricts the export of raw cotton; as a result small-scale farmers have no option but to deal with Cottco, Cargill and others who are licensed to export. Similarly, the Woolpacks (which have to be used) are imported from Pakistan by Cottco and Cargill and then hired out at \$1,000 per pack but only on condition that the cotton is sold to the Woolpack supplier. Another area of concern is the need for neutral graders not those employed by Cottco, Cargill.
- The 20% export retention scheme is of no benefit to the small-scale farmer. Cottco who does benefit from the scheme trades the forex generated from the export of lint on the parallel market bringing in inputs for the sector using the forex obtained, which they sell on to the small-scale farmer at the parallel exchange rate.

**Constraints facing the Commercial Farming Sector:-** Whilst the Commercial Farming Sector only represent a small percentage of national production they have itemised the

following areas as constraints: price controls, forced local sales versus exports (export permits are only granted once contracts are signed with local spinners), high cost of inputs, lack of research, land reform process.

## 2.3 Ginners

There are fifteen ginneries in Zimbabwe, the majority of which are owned by Cottco. These ginneries gin the entire crop output from large and small scale farmers. Due to the reduced output from farmers the ginneries are not operating at full capacity resulting in cost inefficiencies.

Output from the ginneries is sold locally and on the export market, the local sales are to spinners who produce yarn for the local and export markets.

Cottco is a key player in the ginning of cotton and is the main exporter of cotton lint. The current situation in Zimbabwe has led to the need to export the lint produced in order to generate foreign currency to continue operations. This has led to a situation where the supply to local spinning factories has been reduced and what supplies is given to the spinners is of lower quality, the higher quality lint being reserved for the export market. This has led to problems in the downstream industries.

The shortage of foreign currency has hampered importation of spare parts for machinery maintenance and this has further reduced productivity and efficiency and added cost.

Key players in the sector are as follows:

- **Cottco** the Cotton Company of Zimbabwe (Cottco) formed from the privatisation of the Cotton Marketing Board in 1995. It has been the major player in the development of outgrower schemes and in ginning of cotton country wide. Cottco have nine Ginneries (Kadoma, Sanyati, Bindura, Banket, Glendale, Muzarabani, Chinoyi, Gokwe and Mutare) making it the biggest producer of Lint in Zimbabwe.
- **Cargill** and **Romsdal** are Cottco's main competitors. Cargill have three gins (Chegut, Shamva and Gweru) and Romsdal Investments, based in Triangle, has one.
- **Cabview Trading** is another player in the market with its own Ginnery.
- **Flemmings Cotton Ginnery** also operates in Bluffhill but is very small with a limited capacity.

## 2.4 Key issues and constraints

The key issues faced by this sector are:

- Reduced crop size resulting in lower capacity utilisation and therefore higher costs per unit produced
- Lack of foreign currency to import spare parts for machinery maintenance and upgrading

## 2.5 Spinners and weavers

The sector consists of large operations only as this type of operation is highly capital intensive. This section of the industry commenced operations in the early 1930s and has been developed significantly since that time.

## Major Producers

Four of the major operational textile mills - David Whitehead, Qualitex, Merspin and Zimbabwe Spinners and Weavers - are vertically integrated with their own spinning divisions, to supply their own weaving divisions as well as those of third parties, and their own dyeing plants.

### a) David Whitehead

The company's product range includes plain fabric (cotton), drill fabric (cotton), shirting (polyester cotton), industrial drills (polyester viscose), and hosiery. The company produces over 10 000 tonnes per annum of yarn; and woven fabric in excess of 20 million metres. It is a major exporter to overseas markets as well as to some of the countries in the region.

### b) Qualitex (Cotton Printers)

The company produces plain fabric (cotton), sheeting (cotton), shirting (polyester cotton), sheeting (polyester cotton) and plain fabric (polyester cotton). The company spins about 3 400 tonnes of yarn annually and it weaves 22 million square metres per year. Exports have been to both regional and overseas markets.

### c) Merspin Ltd.

The company produces terry towels, napkins, shirting, dish cloths, bedspreads, gowns, upholstery, clothing, curtaining, glass cloths, shirting material, dress fabrics and calico. Total fabric capacity is above 50 million metres per year, though this is not utilised to any great extent due to the placement of the company under judicial management pending liquidation. This situation has now been resolved and the company is in the process of being removed from liquidation. It has a large spinning division which was commissioned in the early 1990's and is a regular exporter to South Africa and, to a lesser degree, the COMESA region, with 40% of its output going to exports.

### d) Zimbabwe Spinners & Weavers

The company produces plain sheeting (cotton), colour woven shirting (cotton), industrial fabrics (cotton) and inter linings (cotton). The company produces a wide range of products and has 56 different qualities including medical textiles, drills, shoe canvassing and they have capacity to manufacture finished garments and also to do printing. The company has the capacity to produce 1 million metres per month of woven material, 80 tonnes per month of knitted material and an annual spinning capacity of 7,000 tonnes of yarn. The company has recently installed new machinery. It is actively expanding its export markets due to a decline in domestic demand. Over 50% of sales are exported.

### e) Modzone Enterprises (formally Cone Textiles)

Once one of Zimbabwe's major spinning and weaving company's, Cone Textiles was liquidated in 1994. However with government assistance in sourcing and negotiating a joint venture partner the company resumed operating in the middle of 1997, as Modzone Enterprises, with an initial capacity of 80,000 m. of fabric daily. Capacity has remained at this level and it is unlikely to increase given the current economic environment.

## Main Inputs

Local cotton lint is the main input to the sector and is purchased at international cotton lint prices based on the Liverpool Cotton Exchange pricing.

Dyes and chemicals are imported from South Africa, The Far East and Europe. Quality is competitive but costs are prohibitive. Adequate inventory levels are therefore not maintained and frequently poor formulations are used.

Imported raw material costs are one of the reasons for non-competitive delivery performance. Textile companies cannot keep inputs in correct quantities in stock to make timeous deliveries.

Items such as dyes, chemicals and machine parts are easily sourced through local agents, though these agents are now asking for assistance in sourcing foreign currency to purchase these products.

### **Yarn / Spinning**

The industry has an installed capacity to spin 25% or 48 000 tonnes of cotton. The bias is on cotton and cotton mixes. Production performance has been indirectly affected in the past few years because of the influx of imported finished goods and fabrics.

The demand for yarn has been slow due to the decline in consumer demand reducing the demand for products requiring yarn input. Given the problems with the supply of lint from the ginneries, and the preference for exporting of lint to earn foreign currency it is likely that spinners will face supply and demand problems in the future.

This area is one that could be supplied from regional growers if a solution to the foreign currency situation could be found. The suggestion has been to attempt some form of barter trade to secure regionally grown cotton, but this has not been acted upon to date.

### **Woven fabric**

(100% Cotton printed and plain)

(Cotton Mixes, printed and plain)

(Sheets)

Although all stages of textile production are represented in Zimbabwe, selection and grades available from domestic production are limited, necessitating importation of fabrics, especially for export-orientated clothing manufacturers: thus reducing the size of the domestic market.

### **Knitted fabric**

(100% Cotton printed and plain)

(Cotton Mixes, printed and plain)

All of the major mills are fully vertically integrated and operate knitting and make up divisions and so are their own customers, but do supply knitted fabric for garment manufacturers and supply greige fabric for export. Plain dyed fabric has faced stiff competition of imported, cheaper goods of a similar type, particularly from Mauritius and the Far East.

Exports of greige fabric is higher than finished that of finished textiles to international destinations; while the reverse is true to regional markets.

Competition from imported goods has reduced the local customer base, as the Zimbabwean knitting plants cannot compete with the variety of imported special fabrics available.



Efficiency in most of the knitting plants is low due to the slower machine speeds of the older machinery and poor maintenance of equipment. This has limited output, cost efficiency and flexibility. In order to overcome this the industry needs to undertake a capital equipment upgrading exercise and bring in modern technology equipment.

Promotion is a general weakness and although companies' brands are known within Zimbabwe, they are still unknown regionally and internationally. Joint marketing with retailers is the only kind of promotion initiated.

### **Packaging textiles**

While this area for the textile sectors is probably the only one showing positive growth, there are relatively few companies who manufacture products for sale to third parties.

The major producer in this sector is Twine & Cordage who commenced operations in 1950 and is the largest producer of cotton, jute and sisal twines in Zimbabwe. Product range includes crochet yarn, sewing threads, bag stitching twine, candlewicks, braids and baling twine. The factory employs 250 people, has invested heavily in new machinery and is one of the most modern of its type in the region. New spinning equipment, recently installed, will ensure self-sufficiency in cotton yarn requirements. Products are exported to Southern Africa, Canada, Europe and the Far East. The company's strong manufacturing base and versatility has allowed it to adapt and expand constantly into wider markets with new and existing products.

The agricultural industry locally, regionally and internationally are the current major consumers.

### **Terry towelling products**

During recent years, production of terry towelling products has been erratic caused by the temporary liquidation of Merlin (Pvt) Ltd., who had a monopoly in the supply of baby napkins, face cloths and towels to the domestic market.

The major producer of products in this sector is Merspin Ltd., producing terry towels, napkins, shirting, dish cloths, bedspreads, gowns, upholstery, clothing, curtaining, glass cloths, shirting material, dress fabrics and calico. Total fabric capacity is above 50 million metres per year.

The majority of production goes to the domestic market but exports to South Africa, USA, Europe and SADC countries are undertaken.

### **Hosiery**

This sector has been adversely affected recently by the influx of imported goods sold by the informal sector.

Major Producers are:

- David Whitehead: Based in Gweru the company has the capacity to produce 2 million pairs of socks per annum and has recently increased its range by 120 new designs. Plans to invest in fully computerised hosiery machinery have been postponed until a more stable market environment is established.

- Nakai Creations: The company was established in 1992 and has the capacity to produce 200,000 pairs of socks per annum. The factory consists of 10 hosiery knitting machines, 2 of which produce school socks and 2 terry sports socks.

A small percentage of socks are exported regionally to Zambia, Botswana, South Africa, Malawi and Mozambique.

## **2.6 Key issues and constraints**

- Insufficient throughput to achieve competitive costs
- Inefficient / obsolete machinery restricting throughput hampering efficiency and increasing costs.
- Shortage of foreign currency required to import yarns, consumables, machinery and machinery spare parts
- Poor quality yarns being manufactured in Zimbabwe due to the problems noted above
- Erratic delivery performance as a result of machinery and quality problems.
- Export of greige fabric causing shortages on the local market for local garment manufacturers.

## **2.7 Dyehouses**

Most large textile firms have their own dye houses, operated for their own internal dyeing and for contract dyeing and washing for garment manufacturers. There is one independent dyehouse owned by Kingfisher Fabrics which operates on a contract only basis to garment and textile firms.

The dyeing capacity was matched to the level of production existing in 1996. This has resulted in an excess capacity existing now due to the reduced output of most of the garment firms.

Dyehouses are reliant on imported dyes and chemicals for the majority of their production and have been affected by the shortage of foreign currency, reducing their capacity to deliver on time and jeopardising quality.

The shortage of foreign currency has hampered importation of spare parts for machinery maintenance and this has further reduced productivity and efficiency and added cost.

### **The key issues faced by this sector of the industry are:**

- Insufficient throughput to achieve competitive costing
- Shortage of foreign currency required to import dyes, chemicals, machinery and machinery spare parts
- Poor quality fabric being manufactured in Zimbabwe due to the problems noted in 2.5.3 above and poor quality of fabric being imported. Imports of fabric are restricted by the foreign currency problems faced in Zimbabwe and in order to maximise the volumes of fabric purchased many importers are buying job lots of mixed fabrics that have varying qualities of fabric in each lot.
- Erratic delivery performance as a result of machinery, chemical, dye and quality problems.

## 2.8 Garment Manufacturers

The garment industry has suffered severe setbacks in the past four years, due to the change in the economy of Zimbabwe. The industry started in the 1930s and has grown steadily over the time of its existence up to 1997, when it began to contract due to the unfavourable economic environment in Zimbabwe.

There are currently 218 garment manufacturers in the country, the majority of which are situated in Harare and Bulawayo. 85 of these companies account for over 80% of the total production output and employment of the sector. Only 23% of the companies in the sector employ more than 200 employees with 1% employing more than 1000 employees. The remainder of the industry is made up of small units that supply local market outlets or act as CMT operators to the larger factories. The majority of companies produce solely for the local market, with only the large factories manufacturing for export.

There are two distinct categories of exporter: those exporting 70% or more of their production; and those producing predominantly for the local market but with 25% to 35% being produced for the export market. The first category produce large volume runs mainly for the European market, the second category produce smaller runs of greater variety for export to Europe, South Africa, Botswana, Malawi, Mozambique and Zambia. Exports to South Africa were more dominant until the change in the duty structure of the South Africa Zimbabwe Bilateral Trade Agreement in 1992. This has caused a major reduction in exports to this country as the terms are no longer as favourable to Zimbabwean manufacturers. This has been compensated for in part by the collapse of the Zimbabwean dollar making the labour and overhead content of manufacture more competitive and as a result some factories are re-looking at exporting to South Africa.

Demand on the domestic market has reduced over the past three years with the decline in the Zimbabwean economy. This has affected most garment manufacturers, with more than 50% of current small and medium sized factories laying off staff and with two out of five of the largest factories laying off staff. Over the past three years over 40 factories in the sector have closed, mostly in the small and medium sized range.

Fabric supplies to the garment industry are sourced locally and externally. The main sources of imported fabric are the Far East, with Taiwan being the lead supplier, and Kenya, South Africa and Botswana. More than 50% of fabric consumed by the Garment industry is imported. The main reasons for this have been the move to the use of polyester and polyester mix fabrics for fashion garments and the unreliability of supply from local weavers and knitters. Small and medium size operations do not have the cash flow to support importation of bulk fabric and so rely on apparel wholesalers, increasing the costs of garment manufacture for this segment.

Supply of threads, buttons, zips and other accessories are procured from agents in Zimbabwe who import these products, largely from the Far East. The value of these products is estimated at 6% of the total value of the garment manufacturing industry output.

Supply of machinery to support the industry is available locally, through agents for most of the major sewing, cutting and accessory machine manufacturers. These are imported by the agents on behalf of garment manufacturers, but in most cases the garment manufacturers have

to supply foreign currency to purchase these machines. The same situation applies to the importation and supply of spare parts for the machinery.

The larger operations in this sector have developed into the use of computerised design, pattern making, laying, cutting and some manufacturing in order to be able to compete on the export market and to offer the level of sophistication required.

Sewing Operator productivity levels average 58% of GSD (a factor of efficiency and productivity measurement used internationally), which is low in comparison to Far Eastern operations but high in comparison to other regional garment manufacturers, including South Africa. This is as a result of the length of time that the industry has been operational in Zimbabwe and the technical and managerial expertise developed as a result.

A listing of the Clothing Council members is attached as an appendix to this report.

Key Players in the industry are as follows:

- Archer Clothing: Based in Bulawayo and producing a wide range of garments for both local and export markets. Over 50% of their production is exported
- Ascot Clothing: Based in Bulawayo and producing a wide range of garments for local and export markets.
- Belna Fashions: Based in Bulawayo and producing a wide range of garments for local and export markets.
- CohCoh / Taig: Based in Harare producing ladies and men's fashion wear for the local market and jeans, men's and ladies trousers for the export market. Over 50% of their production is for export.
- Paramount Garments: Based in Harare producing work wear for the local and export market. Over 50% of their production is for export.
- Barlana Fashions: Based in Harare producing ladies and men's fashion wear for the local market and export market. Over 30% of their production is for export.

### **Key issues and constraints**

- Supply of fabric from local weavers and knitters is insufficient and erratic. This has resulted in erratic supply of goods to local and export customers and has dented the reputation Zimbabwe had in the mid 1990's as one of the most reliable suppliers. The impact this has had is to force exporters to lower prices in order to retain orders and minimise losses on cancelled orders and to force extended delivery schedules to local customers.
- Importation of fabric has become more difficult with the current foreign currency shortages and the need to cede 50% of all foreign currency earnings from exports to government. This has resulted in most manufacturers balancing their production against the level of fabric they are able to import, reducing their capacity utilisation and their ability to take orders at the levels that would be optimal for the factory.
- European and American demand has fallen over the past eighteen months due to the general international recession, the poor perception of Zimbabwe and the unreliability of Zimbabwean suppliers. This has resulted in lower earnings, more varied orders and shorter production runs.

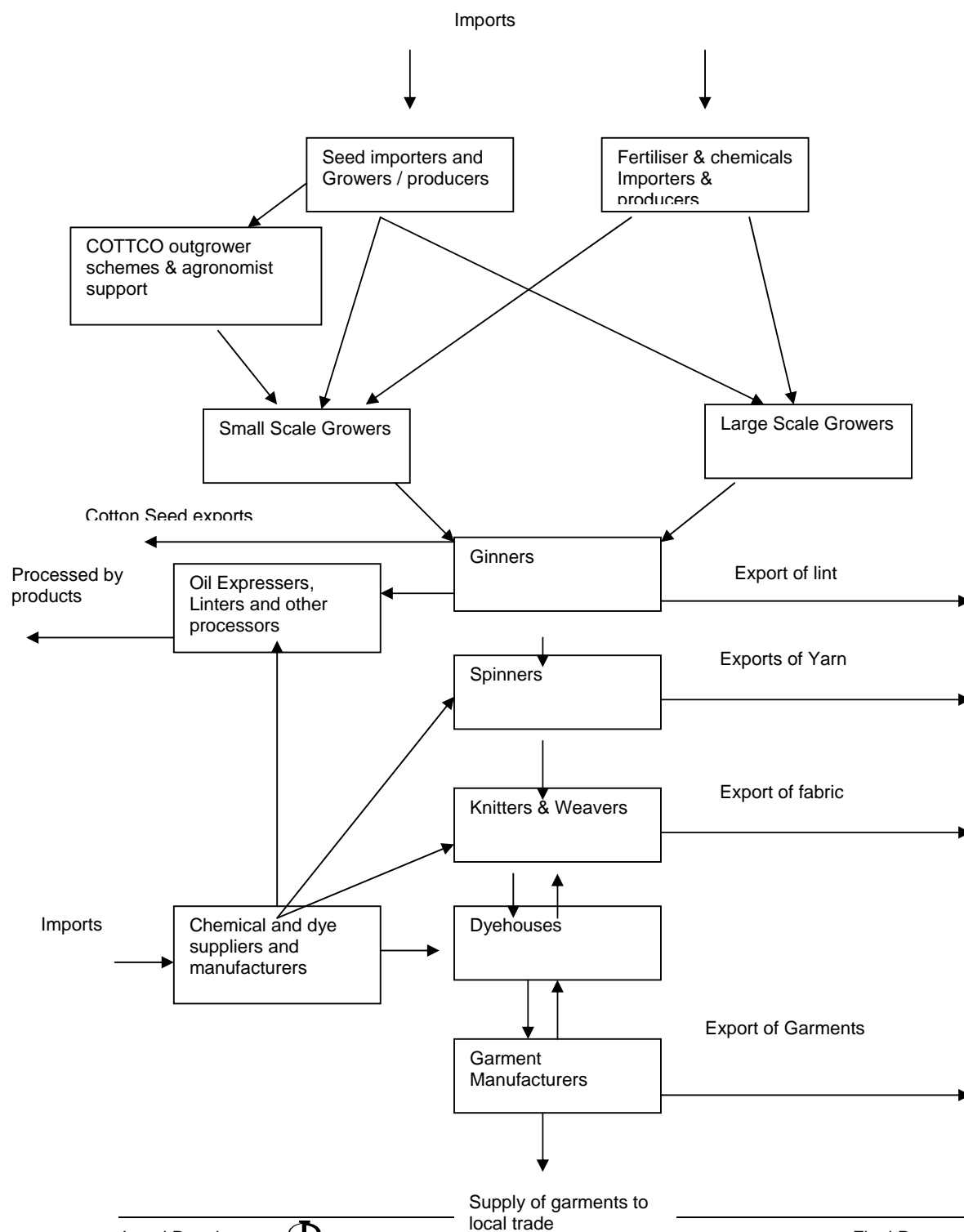
- Local demand has fallen over the past three years due to the deteriorating economic and political situation in Zimbabwe. This has caused the closure of a number of factories and forced a number of factories to down size. Until the political and macro economic situation in Zimbabwe is stabilised this situation will continue.
- Insufficient throughput to achieve competitive costing for exports in the smaller factories
- Shortage of foreign currency required to import fabric, accessories, consumables, machinery and machinery spare parts.

The production of cotton in Zimbabwe has declined over the past three years as a result of the erratic rains and the land redistribution exercise. This has left a capacity shortfall in production at ginnery and following processes. The current shortfall is in the region of 100,000 tonnes and could be supplied from surrounding countries in the region.

### 3.0 MARKETS AND MARKETING SYSTEMS: VALUE CHAIN ANALYSIS

#### 3.1 Value Chain Analysis

Diagram of the value chain



### 3.2 Tabular presentation of the Value Chain

<i>Small and Large Scale Growers</i>		
Inputs	Outputs	Use of outputs
Cotton Seed Chemicals Agronomy support	Raw Cotton Lint	Used for ginning to produce cotton products and by products

<i>Ginners</i>		
Inputs	Outputs	Use of outputs
Raw cotton lint	Deseeded and processed Cotton lint Cotton Seed, low grade cotton and cotton waste	Processed Lint for Spinning of yarn Used for manufacture of by products as below

<i>By Products Processing</i>		
Sector	Output	Use
<b>Linters</b>	Pulp	<b>Cellulose</b> rayon in textiles, tyre cord, hose <b>Plastics:</b> lacquers, film, automobile parts, <b>Electrical;</b> equipment, toiletware, pens, pencils, etc <b>Nitro-cellulose:</b> explosives, gun cotton <b>Papers:</b> writing, filter, absorbent
	Yarns	
	Felts	
	Cotton wool	Lamp and candlewick, carpets, twine, rope  Mattresses, upholstery, cushions, carpets, quilts, automobile upholstery  Medical dressing
<b>Hulls</b>		Feed for cattle, dairy cows, sheep, horses <b>Fertiliser</b> , Fuel <b>Furfural</b> - synthetic rubber, petroleum refining, plastics <b>Fibre</b> - as for linters, oil well packing
<b>Cake/meal</b>		<b>Flour</b> for bakery products <b>Feed</b> - for cattle, dairy cows, sheep, horses, poultry and pigs <b>Fertiliser</b>

<b>Oil</b>		<b>Refined Oils</b> - Cooking oil, salad dressings, shortening, margarine  <b>Soaps, antifreeze, putty</b> <b>Glycerine</b> - Explosives, pharmaceuticals, cosmetics, food preparations <b>Fatty Acids</b> - rubber, plastics, finishes on leather, paper and textiles, insecticides, fungicides, paints, waterproofing, wool scouring
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<i>Spinning</i>		
Inputs	Outputs	Use of outputs
Processed and deseeded Cotton Lint	Yarns	Weaving yarns Knitting yarns Blended fibre yarns

<i>Knitters and Weavers</i>		
Inputs	Outputs	Use of outputs
Weaving Yarns Knitting yarns Chemicals Consumables	Woven Cotton fabrics Woven Cotton mix fabrics Knitted cotton fabrics Knitted cotton mix fabrics	Garment, sheeting and other product manufacture

<i>Dyehouses</i>		
Inputs	Outputs	Use of outputs
Yarns Knitted and Woven Fabric Garments Chemicals Dyes	Dyed yarns Dyed fabrics Washed fabrics Stentered fabrics Dyed garments Washed garments Chemically treated garments	Dyed yarns for Weaving and Knitting of fabrics Dyed, washed or treated fabric for Garment, sheeting and other product manufacture Dyed, washed or treated garments for sale to domestic and export market

<b>Garment Manufacturers</b>		
Inputs	Outputs	Use of outputs
Woven Fabric	Woven fabric Garments	For sale to the local and



<p>Knitted Fabric Accessories Consumables</p>	<p>including: men's formal and casual trousers; men's formal and casual shirts; men's formal and casual suits; men's shorts; women's fashion wear, formal and casual dresses, blouses, suits, slacks, shorts; Children's formal and casual shirts, trousers, dresses, blouses, shorts; hats; school uniforms; ties; blazers; men's and women's jackets; jeans; workwear overalls and safety clothing; Other woven fabric products including bed sheets, table cloths, wall hangings, bed covers, quilts; cloths, kitchen towels Knitted fabrics garments including: T shirts; track suits; casual jackets; golf shirts; ladies and men's fashion tops, shorts and sportswear; jerseys; socks and hosiery products Other knitted fabric products including cloths, muslin and packing.</p>	<p>export markets</p>
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### 3.3 Value Addition Table

Stage	Number of operators	Production per annum	Unit of Measurement	Local Consumption per annum	Export Consumption per annum	Average Value Addition per Unit
Cotton farmers						
- Large Scale	12	14,850	Tonnes	14,850		Z\$46,000 per tonne
- Small scale	204,000	182,900	Tonnes	182,900		Z\$46,000 per tonne
Ginners	12 Mills in operation	79,000	Tonnes	27,200	51,800	Z\$1,045 per kg
Spinners	5	27,050	Tonnes	19,800	7,250	Z\$1,105 per kg
Weavers	5	N/a	Meters	N/a	N/a	N/a
Knitters	3	N/a	Kgs	N/a	N/a	N/a
Garment Manufacturers	218	31,900,000	No. of Garments	24,800,000	7,100,000	Z\$3350 per garment

**\* Note:** Exchange rate of the Zimbabwean Dollar to the United States Dollar is taken at the Official rate which moved from Z\$55 to US\$ 1 to Z\$800 to US\$ 1 in March 2003. The parallel market trading rate at the same time was at Z\$1,350: US\$1. It is currently about Z\$3000:US\$1 as of July 2003

#### Industry consumption

Detailed figures have not been included for the industry consumption as these are not currently available. Detailed figures were kept until 1997, following which the industry associations responsible for keeping this information ceased compiling information. The main reason for not compiling the information was that it had been used against companies by government wishing to impose price controls and companies are therefore very hesitant to release information that will be used publicly.

## **4.0 TRADE POLICY AND REGULATORY ENVIRONMENT**

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### **4.1 Trade Policy**

The official policy environment surrounding cotton production and subsequent manufacturing is unclear. The Government removed subsidies to cotton producers at the time of the liberalisation of the economy, but has not put in place any mechanisms to encourage increased growth of cotton or increased production of value added products from the crops produced. The net result has been a decline in the output of garments and textile products, exportation of raw and semi processed lint and the importation of increasing amounts of fabric and yarn for production of garments for both the local and export markets. This has been detrimental to the industry as a whole as the spinners and weavers are not able to source adequate lint locally to supply their needs and are unable to import sufficient amounts of lint, due to limited access to foreign currency. The situation has given rise to under utilisation of capacity in most plants, increasing the costs of production as a result and reducing competitiveness of the industry as a whole.

Government's official policy regarding importation and exportation of cotton lint, yarns, fabrics and garments is to allow unrestricted importation and exportation subject to the tariffs applicable as shown in table 1 below.

The actions required to increase the production of cotton and the subsequent increase in production of value added goods within Zimbabwe are many and complex. However, as the bulk of production now is in the hands of the small scale grower cognisance must be taken of the constraints facing this sub-sector. These include:

- offering of incentives for the production of cotton
- offering of incentives for value addition to the cotton produced
- providing foreign exchange to small scale farmers thus ensuring the imports of pesticides and fertiliser.

### **4.2 Regional trade integration**

Zimbabwe is party to a number of Regional trade agreements and integration blocks.

#### **Bilateral agreements are:**

- Zimbabwe / Malawi Bilateral agreement
- Zimbabwe / Botswana Bilateral Agreement
- Zimbabwe / Namibia Bilateral Agreement
- Zimbabwe / South Africa Bilateral Agreement (with special conditions, quotas and tariffs on textile and garments)

Under these bilateral agreements Zimbabwe is able to export goods duty free as long as they qualify under the Rules of Origin. Particularly in the case of Botswana this has facilitated exports of textiles and garments to that country. South Africa has always been a major destination for Zimbabwean clothing and textiles but this trade is governed by a special bilateral agreement that sets quotas for tariff preferences.

### 4.3 Regional and Multilateral Trade Agreements:

- SADC Free Trade Area
- The COMESA Free Trade Agreement and Customs Union

These are at different levels of implementation. Currently COMESA is gearing itself for the establishment of a common external tariff and a customs union in 2004. The Free Trade Area that came into force in 2000 is being implemented by selected member states with zero tariffs applying between member states who have acceded. SADC, on the other hand, is at the initial stage of moving into a Free Trade Area being at year three of the tariff phase down. Use of these regional integration groupings and agreements has been mixed and, in so far as the textiles and garment manufacturing industry is concerned, the most important agreements have been those that have included South Africa. South Africa has been the traditional destination for export of fabrics, yarns and garments regionally. Trade in lint, yarns, textiles and garments to other countries has been limited. Malawi has been the second largest importer of fabrics and yarns from Zimbabwe.

Import duties of these product groups under the various regional trade agreements are as follows:

#### Import Duties

HS Code	Product	General	MFN	COMESA	SADC	Bilateral Trade Agreements
1404	Cotton Linters	5%	5%	0%	10%*	0%*
52	Yarn	15%	15%	0%	0-12%*	0%*
5007200	Fabric (Other)	15%	15%	0%	0-20%*	0%*
61	Garments	60%	60%	0%	20%*	0%*

\* On condition that the rules of Origin are adhered to.

#### Rules of Origin

The Rules of Origin governing these agreements vary as follows:

#### SADC and COMESA

For a product to qualify for zero trade tariff in the Free Trade Area it must be consigned directly from an exporter to the importer in a member state and must meet the following conditions:-

- product must be a wholly produce of a members state, (e.g. minerals, animals etc)  
or
- it must meet local value or added to at least 35% of ex-factory  
or
- Local value added of 5% is in a list of products designated by the council of ministers as goods or practical economic importance  
or

- The import content of imported materials used in production should not exceed 60% of total ex-factory cost  
or
- Must have undergone a significant process manufacture to warrant change in tariff classification when exported.

Note: Terms of the SADC Protocol are yet to be finalised as some countries have still to deposit their position papers.

### **Bilateral Trade Agreements**

In terms of the bilateral trade agreements with Botswana, Malawi and Namibia, the products must have at least 25% local content in order to qualify for the zero tariff. Trade with South Africa is governed by both local content and quota requirements.

### **Multilateral Agreements**

Zimbabwe does not yet qualify under AGOA to export to the USA. Once good governance and economic management have been restored it will be eligible to apply.

Under ACP/EU Cotonou, Zimbabwe gets duty and quota-free access for exports of yarn, fabric and clothing to the European Union market.

Zimbabwe is a signatory to the WTO and is actively involved in the multilateral trade negotiations through the World Trade Body.

## **4.4 Import and export licensing**

None of the products in the cotton, textiles and garment sector are subject to import licensing.

### **Documentation**

According to the regulations, customs officials require the following documents for exporting goods out of Zimbabwe:

- Exchange Control – CD 1 Form – is an exchange control document, which must be completed for all commercial shipments. Copies are sent to the Reserve Bank of Zimbabwe (RBZ). RBZ will check with the commercial bank of the exporter at the end of the stated period to ascertain if such payment has actually been received and remitted to the country. Until recently export receipts could be placed in a Corporate Foreign Currency Account (FCA) to be used by the company. However while these still exist they are now controlled by the RBZ and usage by the company is governed by the RBZ. In addition 50% of all receipts must be converted into Z\$ on arrival of the payment.
- Declaration Form – All exports must be cleared through Customs by submission of a Bill of Entry.
- Commercial Invoice – The commercial invoice is completed to enable the importer to clear his goods in his country. It contains the name of the exporter, weight, value and description of goods.

- Certificate of Origin – establishes in the importing country the origin of the goods to ensure whether they are entitled to preferential duties or not. The Certificate of Origin is issued by either Customs or the Zimbabwe Chamber of Commerce.
- Certificate of Health for Cotton Lint and Cotton Seed. The phyto-sanitary certificate assures that the materials being exported are free from diseases and pests.
- Bill of Lading – Only required when goods are shipped by sea

## 5.0 RECOMMENDATIONS - TOWARDS ENHANCED REGIONAL TRADE

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- The majority Zimbabwean companies are currently operating at capacity of 60% and below with significant capacity to increase volume.
- Investment in Zimbabwe has declined significantly due to the current political climate.
- Zimbabwe requires a mix of lint, not all of which is grown locally and given the fact that factories are operating below capacity, significant markets exist for a variety of lint in regional markets.
- Given the current climate, Zimbabwe is not able to exploit the preferential trade arrangements such as AGOA. However, because of current situation, neighbouring countries are able to benefit through selling Zimbabwean textile products.

### Way Forward

In order to achieve significant growth in the sector and increase regional trade the following actions are recommended:

#### *General*

- ⇒ Establish macro-economic stability in the country and lower rates of inflation, interest rates and stabilisation of the Zimbabwe Dollar
- ⇒ Improved regulatory environment encompassing moderate rates of company tax, reduction of increasing numbers of levies, and streamlining of company registration process.
- ⇒ Reduction in rates of customs duty on inputs such as fabrics for clothing manufacture.

#### *Specific*

- ⇒ Increase levels of investment in domestic spinning and fabric manufacture including diversification of processes and improved quality
- ⇒ Improve access to training for middle management in clothing manufacture
- ⇒ Raise levels of quality control and awareness of international marketing trends amongst clothing manufacturers
- ⇒ Improve levels of design and diversity of fabric in production.
- ⇒ Raise levels of plant modernisation and increase productivity levels
- ⇒ Enhance levels of regional business and export contacts through promotional programmes, joint venture collaboration and licensing arrangements
- ⇒ Establish regional lint supply into the spinning sector and investigate links for fabric production from the region into the garment production sector.

**ANNEXURE 1****ZIMBABWE TEXTILE MANUFACTURERS ASSOCIATION MEMBERS LIST*****ZIMBABWE TEXTILE MANUFACTURERS ASSOCIATION MEMBERS: 2002/2003***

<b>Organisation</b>	<b>Representative</b>	<b>Address</b>	<b>Tel, Fax. E-mail</b>
Coates Zimbabwe Ltd	Mr J C McGinn Mr T D Mondiswa	P O Box 8297 Belmont Bulawayo	T-09-470718 / 470754 / 472905/6 F- 09-460774
Colour Fast Textile Printers (P/L)	Mr Mungofa	P O Box 66040 Kopje Harare	T-04-775901 / 775937/8 F-04-775900
Cotton Printers P/L	Mr J A Smith Mr C J Tipping- Woods	P O box 8092 Belmont Bulawayo	T-09-74661 F-09-69322/66469
The Cotton Waste Co	Mr P Drazdik	P O Box 8075 Belmont Bulawayo	T-09-66557/8 F-09-74673
David Whitehead Textiles Ltd	Mr O Gwaku Mr E A Chimanye	P O Box UA 164 Union Avenue Harare	T-04-668882 / 669504 F-04-664774
Dreyton Textiles P/L	Mr S. Dick	P O Box 2660 Bulawayo	T-09-79401 F-09-79402
Gold Thread P/L	Mr J Goldwasser	P o Box 8209 Belmont Bulawayo	T-09-67480/68195 F-09-76426
Heliotextil Africa P/L	Mr R A Hall	P O Box 8152 Belmont Bulawayo	T-09-471742/3/ 469023 F-09-68369
Highfield Bag Co P/L	Dr J Tannock	P O Box 1267 Harare	T-04-620691/9 F-04-620690
Karina (Pvt) Ltd)	Mr P B Thorne Mr N Frost	P O Box 2972 Harare	T-04-730606 / 700708/9 F-04-708187 Cell 011 602 538
Kudhinda Fabrics P/L	Mrs P Silya	P O Box AY 152 Amby Harare	T-04-480752 /486071 T / F-04-486683
Melbro Knitwear P/L	Mr D Lasker	P O Box 1900 Bulawayo	T-09-880181/3/5/6 77848 091 233 841 F-09-880184
Merspin Limited	Mr D Varrie	P O Box 8182 Belmont	T-09-476541/8 F-09-476540



Organisation	Representative	Address	Tel, Fax. E-mail
		Bulawayo P O Box 2025 Harare	T-04-707564 / 792 051 F-04-792 057 091 220 081
Modzone Enterprises	Mr R Robb	P O Box ZG 55 Zengeza Harare	T-070-30500 30501 (Direct) 31661/2 011 231 908 F-23998 / 24052
National Blanket Ltd	Mr J R Musgrave	P O Box 1104 Bulawayo	T-09-887141/9 F-71222/229684 Direct T/F-71222
National Foods P/L T/a Natpak (Pvt) Ltd	Mr J R Bannister	P O Box 648 Bulawayo	T-09-889201/9- 67126/7-889212 F-09-75140
Nets and Ropes P/L	Mr N G Russell- Smith	P O Box AY 207/ 232 Amby, Harare	T-04- 486857/486855/486994 / 487399 F-04-486860 / 487390
Paramount Elastic Tape Mnfrg (Pvt) Ltd P/L	Mr P D Turtle- Dove	P O Box ST 355 Southerton Harare	T-04-664394 / 666921 F-04-754376/621687
Scottco (Pvt) Ltd	Mr F I Badat	P O Box ST 521 Southerton Harare	T-04-620026/7 011 601 982 F-04-620028
Security Mills (Pvt) Ltd	Mr R Lane	P O Box 539 Bulawayo	T-09-63505 F-09-69385
Textile Mills Holdings	Mr R S Zlattner	P O Box 539 Bulawayo	T-09-69381-4 F-09-69385
Twine & Cordage Mnfrg Co Ltd	Mr S Vos	P O Box 181 Harare	T-04-621281/7 F-04-621289 Home 223686
Zimbabwe Grain Bag P/L	Mr A J M Sibanda	P O Box 8191 Belmont Bulawayo	T-09- 477574/476776/476923 F-09476779/476139
Zimbabwe Hosiery Co P/L	Mr P Edwards	P O Box 8133 Belmont Bulawayo	T-09-462333 F-09460551
Zimbabwe Textile Industries	Mr Y A Adam	P o Box 1299 Harare	T-04-703588/9 665407 F-04-751831
<b>NON-MEMBER</b>			
Zimbabwe Spinners & Weavers (Pvt) Ltd	Mr P Doward	P O Box 3247 Harare	T-701 355/703 309/737 651 F-703 370

**ANNEXURE 2:****GARMENT MANUFACTURERS MEMBERS LIST****ZIMBABWE CLOTHING MANUFACTURERS' ASSOCIATION**

<b>Organisation</b>	<b>Representative</b>	<b>Address</b>	<b>Tel/Fax/E-mail</b>	<b>No of Empl oyees</b>
ARCHER CLOTHING	D Lasker & G Kennard	P O Box 8205 Belmont Bulawayo	TEL: 880181 FAX: 880184 E-MAIL: <a href="mailto:sales@telconet.co.zw">sales@telconet.co.zw</a>	600
ASCOT CLOTHING	A Elkaim & I C Elkaim	P.O Box 8193 Belmont Bulawayo	TEL:09-69615/16 FAX:09-76997 E-MAIL: <a href="mailto:ascot@telconet.co.zw">ascot@telconet.co.zw</a>	506
BELMOR MANUFACTURERS	R Van De Burg	26 Wolverhampton Rd Belmont Bulawayo	TEL:09-470729/59--- 475597 FaxL:467152 E-MAI: <a href="mailto:belmor@telconet.co.zw">belmor@telconet.co.zw</a>	501
BELNA FASHIONS	Dhiro Nathoo	P.O BOX 8359 Belmont Bulawayo	TEL:09-467761 FAX: 09-468329 E-MAIL: <a href="mailto:belna@mweb.co.zw">belna@mweb.co.zw</a>	501
BENSON MANUFACTURERS	A Elkaim & Madhoo	P.O.BOX 713 Bulawayo	TEL:09-467761 FAX:468329	119
Carnival Products (PVT) LTD	D D Mathews	P O Box 9154 Hillside Bulawayo	TEL:79618 FAX:71921 E-MAIL: <a href="mailto:mattes@telconet.co.zw">mattes@telconet.co.zw</a>	63
CAROUSEL & LEE JEANS	T Soullier & D Shenk	P.O.BOX 1257 Bulawayo	TEL:470300 FAX:471821 E-MAIL: <a href="mailto:carousel@telconet.co.zw">carousel@telconet.co.zw</a>	110
CINDERELLA MANUFACTURERS	S A LeRoux & C W Baron	P O BOX 285 Bulawayo	TEL: 67071/77477 FAX: 67071/77477	38
DAYREX (PVT) LTD	RR Naik & MN Naik	P o box 1007 Bulawayo	TEL: 66101/ FAX: 70273 E-MAIL: <a href="mailto:sales@dyljigroup.co.zw">sales@dyljigroup.co.zw</a>	46
FEMINA CLOTHING	J Bonett & T Mapuwire	P O BOX 8306 Bulawayo	TEL:465581/71 FAX:463200 EMAIL: <a href="mailto:femina@netconnect.co.zw">femina@netconnect.co.zw</a>	

Organisation	Representative	Address	Tel/Fax/E-mail	No of Empl oyees
G & D Trading	D R Musarurwa	P O Box AP34 Harare Airport	TEL: 011-602-609 FAX: 771 029	60
HEBDEN ENTERPRISES	A Wytoff & S Wytoff	P O Box 1797 Bulawayo	TEL:61638 FAX:74507 E-MAIL:HEBDEN @MWEB.CO.ZW	86
JUSTINE CLOTHING (PVT) LTD	David Mollart	P O Box 8522 Belmont Bulawayo	TEL:72408/70576 FAX:77974 E-MAIL: <a href="mailto:justine@telconet.co.zw">justine@telconet.co.zw</a>	72
LABEL CLOTHING (PVT) LTD	Mrs L Rensburg & J Mangena	P O Box 8029 Belmont Bulawayo	TEL: 460786/788- 90/474375 FAX: 540787 E-MAIL: <a href="mailto:shirtman@telconet.co.zw">shirtman@telconet.co.zw</a>	380
LANCASHIRE MNFG (PVT) LTD	W P Keates & Mrs Cullen	P O Box 8222 Belmont Bulawayo	TEL: 63246-7 FAX: 77094 E-MAIL: <a href="mailto:lancmnfg@acacia.samara.co.zw">lancmnfg@acacia.samara.co.zw</a>	500
MATEBELELA ND CLOTHING COUNCIL	V Patel	P O Box 791 Bulawayo	TEL:66013 FAX:66014	184
STYLE INTERNATION AL		P O Box FN 590 Famona 23 Bristol Rd North Belmont Bulawayo	TEL:67785 FAX:60370 E-MAIL: <a href="mailto:tag@web.co.zw">tag@web.co.zw</a>	103
MAXWELL CLOTHING	Mrs J Patel & G Pabho	P O Box 541 Bulawayo	TEL:61932/62270 FAX:69259 E-MAIL: <a href="mailto:maxwellclothing@hotmail.com">maxwellclothing@hotmail.com</a>	121
SWISSETTE (PVT) LTD	Mrs J M Dickens & Mr F Moyo	P O Box 726 Gweru	TEL: 23770/23086/28538 FAX: 25765	
TICOZ E NTERPRISES	Florence Dube	P O Box M93 Mpopoma Bulawayo	TEL: 410361/091321236 FAX: 410361	73
TOPERS UNIFORMS	A H Esats & HM Jogee	P O Box 608 Bulawayo	TEL: 70433 FAX: 65822/62102	110
Total Tics (PVT) LTD	R Barnes	P O Box 63632 Belmont Bulawayo	TEL: 63632/3 FAX: 71454 E-MAIL: <a href="mailto:totaltic@acacia.samara.co.zw">totaltic@acacia.samara.co.zw</a>	18
UNITED	Mr Robinson	P O Box 1129	TEL:70433	187

Organisation	Representative	Address	Tel/Fax/E-mail	No of Empl oyees
CLOTHING & SHIRT		Bulawayo	FAX:880779	
TROPICAL HEAD GEAR (PVT) LTD	P J Charsley & F G Gross	P O Box 8159 Belmont	TEL:463483 FAX:463484	120
AFRICAN THREADS	Lesley	P O BOX 208 Harare	TEL”073-2228/073-2921 FAX073-2226	
Aberto Alves P/L	F J Ruwoko & N Moyo	P O BOX A Y 90 Amby Harare	TEL:486389 FAX:487321 E-MAIL: alberto@internet.co.zw	48
Ahmed Omar Industries P/L	Abdul Omar & Tobal Omar	P O BOX 627 Mutare	TEL:020 63668/63109 FAX:020 63668 E-MAIL:	209
A C Clothing	MD	Box 2339,Harare	TEL 787284/5— 011206882	
Nkay Garments		BOX T 65 Southerton Harare	TEL 665565/668729/	
Beekay Manufacturing P/L	N D Bhagat	P O BOX4283,Harare	TEL 791022/708890 FAX 708890 E-MAIL beekay@icon.co.zw	96
Bernstein Clothing	I D Biyam & H H Bhagat	P O BOX 914 Harare	TEL 667721/4 FAX 667725 E-MAIL cncube@bernsein.co.zw	244
Bells Creation	Mr Adam	BOX 816 Harare	TEL 754315/759468/70	
Bhico School Wear(PVT)LTD	H Kalidas & HH Bhagat	P O BOX2141 Harare	TEL 620049/40 FAX 667849 E-MAIL souxiip@id.co.zw	90
Bravette Manufacturing	E Macheka	P O BOX2898 Harare	TEL 576477/576479-9 FAX571654	362
Cupree Enterprises	Mr Govind	BOX 2041 Harare	TEL 708977	
Carducci Designs	N Patel	P O BOX 3348 Harare	TEL 774352-4 FAX 774459	100
Celebrity / Nyampoint	M D	BOX7104 Harare	TEL 662389/664630	
Chiratidzo Fashions	Theresa	BOX 153 Kopje 13 Baden Powell Road Harare	TEL 666282	
Chitungwiza	Mr Majongwe	BOX SK 65	TEL070-2198/011 735 748	

Organisation	Representative	Address	Tel/Fax/E-mail	No of Empl oyees
Garments		Seke Harare		
City Clothing Manufacturers	Mr Nzombe	P O BOX 2250.47 Craster Rd Southerton Harare	TEL 620471-5 FAX 621831 E-MAIL citcloth@mweb.co.zw	310
CohCoh Taig Manufacturers Enterprises	M P Vico & R W Welsh	P O BOX 1308 Harare	TEL 750216-8 FAX 771898 E-MAIL cohcoh@mweb.co.zw	900
C M Fashions	M D	BOX W 29 Waterfalls Harare	TEL 665045	
Concord Clothing(1975)	J Raina & D Yale	P O BOX318 Harare	TEL 620966-9 FAX 620960 E-MAIL concloth@mweb.co.zw	340
Delswa	E Ndlovu	P O BOX 2276 25 Edisan Crescent Graniteside Harare	TEL 770481-4 FAX 770485 E-MAIL delswa@harare.iafrica.com	134
Fannick Investments(PV T)LTD	N R Zaycry	P O BOX661230	TEL773248-54 FAX 754677/754880 E-MAIL VASS@FANNICK.COM	175
Econ clothing	Mr Economous	BOX 140 Glendale Harare	TEL 0758-2333/2332	
Eleganta Ties	MD	BOX 66698 Kopje	TEL 771771/770839	
Esat	Mr Esat	BOX 66122 Kopje Harare	TEL 669638/9	
Escapades	Ms Pasipanodya	P O BOX A Y 303 Amby ,Msasa	TEL486131/2 FAX480478 E-MAIL <a href="mailto:escape@ecoweb.co.zw">escape@ecoweb.co.zw</a>	
Factory Fourteen	M D	BOX H G 455 Highlands Harare	TEL 487048/486596	
Faust Products	Mr Mohammed	BOX 4861 Harare	TEL 724328	
Fitwell Garments	Mr Muduwa	BOX ST 141 Southerton Harare	TEL 754268/9	
Five Sisters	MD	BOX 1767 Harare	TEL 704010	

Organisation	Representative	Address	Tel/Fax/E-mail	No of Empl oyees
Gordonsbury	C Gordon/Mr Bako	BOX B F 893 Belvedere Harare	TEL 062-2536/2689	
Heritage Clothing	Mr Chikono	BOX 198 Harare	TEL 665657	
Industrial and Domestic Wear	G Crowson/Z Crowson	P O BOX 3250 Paulington Mutare	TEL 020-66119/60895 E-MAIL <a href="mailto:indus@syscom.co.zw">indus@syscom.co.zw</a>	
James North	Mr Hulley/Maramba	BOX A Y 40 Amby Msasa	TEL 4868001/1-486438/9	
Jaysons PVT LTD	K J Chouhan & P J Chouhan	P O BOX560 Harare	TEL 753223 FAX 792200	
Josman Garments	Loneson Mondo & C Chapwanya	P O BOX G T 1080,17018 Sande Crescent Graniteside Harare	TEL756665-7	68
J M D Fashions	M D	BOX U A 166 Union Avenue Harare	TEL 753191	
J S B Export	Mr Josaab	BOX 362 Harare	TEL 664104	
Kasico	MD	BOX BE 1677 Belvedere Harare	TEL 660574/5-661935/6	
Langer/Heritage Clothing PVT LTD	J Chikono	P O BOX 105 Harare	TEL 665757/9 FAX 79130	49
Lotus Lingerie	MD	BOX A Y Amby Msasa	TEL 791982	
Little and Large	MD	BOX 943 Harare	TEL 665138	
Lynwood Fashions	Mr Kafiza	BOX ST 310 Southerton Harare	TEL 487737	
M & I Manufactures P/L	Mr Chitakasha	P O BOX S T627 Harare	TEL 664731/668389 FAX 669557	145
Maurice Hasson Garment INC Universal Garments	E Hasson, P Hasson, V Hasson	P O BOX A Y Amby, 8Neil Ave Harare	TEL 486323 FAX 486388	
Mitchell Fashions	M D Dhauramanzi & L N Dhauramanzi	P O BOX C Y 1052,Causeway, Harare	TEL 498865/011204499 FAX 480289 E-MAIL <a href="mailto:Profwear@samara.co.zw">Profwear@samara.co.zw</a>	70

Organisation	Representative	Address	Tel/Fax/E-mail	No of Empl oyees
Mutare Garments		BOX 296 Mutare	TEL 498865	
M & L Manufactures	MD	BOXES T 627 Southerton Harare	TEL 74063	
Nats Enterprises PVT LTD	H Patel & A Campbell	P O BOX S T 647,Southerton 2 Upton Rd, Ardbennie, Harare	TEL 669279/80 FAX 669389 E- MAIL:HARNISH@MWE B.CO.ZW	55
Naina Creations	Mr Harry	BOX B F 972 Harare	TEL 753610/7712125	
Nola Creations	Mr Wiles	P O BOX A1129 Avondale Harare	TEL 665401/662365	100
One Way	MD	BOX 265 Chegutu		
African Threads	Ms Lesley	P O BOX 208 Harare	TEL 073-2228/073-2921 FAX 073-2226	
Alberto Alves P/L	E J Ruwoko & N Moyo	P O BOX A Y 90,Amby,Harar e	TEL 486389 FAX 487321 E-MAIL :ALBERTO@INTERNET. CO.ZW	48
Allwear	Mr Lockich	BOX 87 Ruwa	TEL 073-2625	
Ankay Garments		BOX T 65 Southerton Harare	TEL 665565/668729	
Paramount Garment Works	P Turtledove & J Yourmas	P O BOX 610 Harare	TEL 770404/8 FAX 754375/6 E- MAIL:jeremy@paramount. co.zw	947
Aze Clothing	Mr R Patel	BOX 3004 Harare	TEL 70763/703599	
Lot Enterprises	MD	BOX109 Harare	TEL 753987/753988/753990	
Akash Creations	Mr Chisango	BOX 835 Harare		
Premier Knitting Company	Yogesh B Bhagat	BOX 666 Harare	TEL 667526 FAX 667575 E-MAIL Premier@zol.co.zw	50
Daytime MRRS(PVT)LT	W Whitefield	P O BOX 3936,8 Bristol	TEL 753987-91/753992 FAX 753992	

Organisation	Representative	Address	Tel/Fax/E-mail	No of Empl oyees
D		rd, Workington, Harare	E-MAIL <a href="mailto:saybrook@icon.co.zw">saybrook@icon.co.zw</a>	
Samson Clothing	Mr Sarnji	BOX HD 72 Highfield Harare	TEL 669866/7-091352639	322
Sir Canvas PVT LTD	P M Maravadzi	P O BOX A Y 397,Amby,Mas as	TEL 487520/9 FAX 486135/6 E-MAIL <a href="mailto:sincanvas@zimsurf.co.zw">sincanvas@zimsurf.co.zw</a>	250
Self Reliance	Mr Gapa	C/o 3M Fern rd Mandara	TEL 030-293	
Taj Pleaters	M D	BOX ST V524 Simon Mazorodze	TEL 665912	
Terenda (PVT)LTD	M D	P O BOX 66076.Kopje Harare	TEL 755251-2 FAX 755251	
Thal & Company	Mr Thal	BOX 3031 Harare	TEL 486389	
Throb Enterprises	Ms Mafuka	BOX BW 267 Borrowdale	TEL 668572	
Tonip Trading	P Patel	P O BOX 4397.Harare	TEL 663621/3 FAX 661991 E-MAIL <a href="mailto:prajji@internet.co.zw">prajji@internet.co.zw</a>	27
Tromode Enterprises	S Tilbury & Mrs J E Fox	P O BOX S T 733,Southernton, Harare	TEL 620221/3 FAX 669406 E-MAIL <a href="mailto:sltron@telco.co.zw">sltron@telco.co.zw</a>	225
W&E Silks(PVT)LTD	D P Patel & Ajay Patel	P O BOX 1121 <sup>St</sup> ,132 Hre Dr, New Ardbennie	TEL 664583 FAX 664586 E-MAIL <a href="mailto:silk@icon.co.zw">silk@icon.co.zw</a>	40
Zimbabalooba(PVT)LTD	Binx Zeedeberg & J Pundo	P O BOX A 1122,Avondale, Harare	TEL 737285/8 FAX 737288 EMAIL <a href="mailto:looba@samara.co.zw">looba@samara.co.zw</a>	
WKS Safety Equipment	M D	P O BOX A Y 238,Amby,Hara re	TEL 487708/498912/011808804 FAX 487708	134
Design incorporated	A Molai & P Kutepu	P O BOX 5266,Harare	TEL 755851-6 FAX 755726 E-MAIL :DESIGN@ICON.CO.ZW	70
Ondela Co-op	Mr R Hassamal	13 <sup>th</sup> Avenue/R Mugabe Way		



<b>Organisation</b>	<b>Representative</b>	<b>Address</b>	<b>Tel/Fax/E-mail</b>	<b>No of Empl oyees</b>
P Clothing	Mr Mahdoo	P O BOX8339 Belmont Bulawayo	TEL 09-60047	
Antosha	Elizabeth/Mr B Hamilton	A C 105,Ascot Bulawayo	TEL 09-463483-4	
Fashions	Miss Patel	8172 Belmont Bulawayo	TEL 09-74562	
Ruc Value	Mr Doolab	34D 13 <sup>TH</sup> Avenue Bulawayo	TEL 09-66821	
Iva Marketing	Mr P S Patel	P O BOX 2434 Bulawayo	TEL 09-79639	
Velfast Clothing	Mrs P Treger	P O BOX 665 Bulawayo	TEL 0961142	
Mickleroe Enterprises	Mr/Mrs Scott	P O BOX 180 Chiredzi	TEL 5141-3,5136	
Mande Mode	Mrs Carlson	P O BOX 664 Gweru		
Midlands Clothing	Mrs Carlson	P O BOX664 Gweru	TEL 2424425276	
Mavromac Trading	Mr Begni	P O BOX 292 Victoria Falls	TEL 5898	
Mesa Enterprises	Mr /Mrs Jaansveldt	P O BOX 107 Victoria Falls	TEL 4217	

**ANNEXURE 3:****COTTON GROWING AND GINNERY PRODUCTION COSTS  
COTTON PRODUCTION COSTS per ha**

**Input Costs as at:** **5-Mar-03**  
**Hectares:** **150**  
**Minimum Expected Price per kg:** **\$350.00**  
**Distance to Market & Town:** **100 km**

	----D R Y L A N D (Hand Harvested)			--	----- I R R I G A T E D----- (Hand Harvested)		
<i>Target yield per ha (kgs)</i>	1000	1500	2000	2500	3000	3500	4000

**VARIABLE COSTS****1.****Labour**

Prior to Harvest	\$20299.88	\$20299.88	\$20299.88	\$26124.05	\$26124.05	\$26124.05	\$26124.05
Harvest & Market	\$32743.50	\$49115.25	\$65487.00	\$81858.75	\$98230.50	\$114602.25	\$130974.00

**2. Tractor  
Operating**

Prior to Harvest	\$77998.88	\$77998.88	\$77998.88	\$84115.48	\$84115.48	\$84115.48	\$84115.48
Harvest & Market	\$342.53	\$513.80	\$685.06	\$856.33	\$1027.59	\$1198.86	\$1370.12

<b>3. Fertilizer &amp; Lime</b>	\$44064.72	\$44064.72	\$50671.62	\$61724.55	\$65028.00	\$65028.00	\$65028.00
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<b>4. Seed</b>	\$4238.25	\$4238.25	\$4238.25	\$4238.25	\$4238.25	\$4238.25	\$4238.25
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<b>5. Herbicides</b>	\$22654.00	\$22654.00	\$22654.00	\$22654.00	\$22654.00	\$22654.00	\$22654.00
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<b>6. Insecticides</b>	\$24874.50	\$24874.50	\$24874.50	\$24874.50	\$24874.50	\$24874.50	\$24874.50
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<b>7. Acaricides</b>	\$5533.50	\$5533.50	\$5533.50	\$5533.50	\$5533.50	\$5533.50	\$5533.50
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<b>8. Irrigation &amp; Water</b>				\$19056.43	\$19056.43	\$19056.43	\$19056.43
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<b>9. Spraying</b>	\$27547.50	\$27547.50	\$27547.50	\$27547.50	\$27547.50	\$27547.50	\$27547.50
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<b>10. Packing</b>	\$1061.84	\$1592.76	\$2123.68	\$2654.60	\$3185.52	\$3716.44	\$4247.36
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<b>11. Transport Out</b>	\$6554.90	\$9832.35	\$13109.80	\$16387.25	\$19664.70	\$22942.15	\$26219.60
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<b>12. Insurance</b>	\$875.00	\$1312.50	\$1750.00	\$2187.50	\$2625.00	\$3062.50	\$3500.00
			0				
<b>13. Levy</b>	\$5250.00	\$7875.00	\$10500.00	\$13125.00	\$15750.00	\$18375.00	\$21000.00
<b>14. Sundries</b>	2740.39	\$2974.53	\$3274.74	\$3929.38	\$4196.55	\$4430.69	\$4664.83
15. Interest		41946.02	42917.79	49579.73	49497.92		
<b>TOTAL VARIABLE COSTS</b>	<b>\$276779.39</b>	<b>\$300427.41</b>	<b>\$330748.41</b>	<b>\$396867.06</b>	<b>\$423851.57</b>	<b>\$447499.60</b>	<b>\$471147.62</b>
<b>GROSS INCOME</b>	<b>\$350000.00</b>	<b>\$525000.00</b>	<b>\$700000.00</b>	<b>\$875000.00</b>	<b>\$1050000.00</b>	<b>\$1225000.00</b>	<b>\$1400000.00</b>
GROSS MARGIN	\$73220.61	\$224572.59	\$369251.59	\$478132.94	\$626148.43	\$777500.40	\$928852.38
<b>Return per \$ TVC</b>	1.26	1.75	2.12	2.20	2.48	2.74	2.97
Cost per kg	\$276.78	\$200.28	\$165.37	\$158.75	\$141.28	\$127.86	\$117.79
Cost per kg with interest		\$228.25	\$186.83	\$178.58	\$157.78		

**Notes: 1. This Schedule of Production Costs Excludes all Overhead Expenditure**  
**2. Overheads vary between 50% and 70% of Variable Costs.**  
**3. Costs are as at date of printing**

Source : CFU, Zimbabwe